



# Cleaner Air Partnership

## Corporate Sustainability 101



# Q: What is Corporate Sustainability?

Example:

Fulfilling the needs of current generations without compromising the needs of future generations, while ensuring a balance between **economic** growth, **environmental** care and **social** well-being.

ESG

# Evolution of Sustainability

Environmental Awareness  
& regulatory action

Sustainability enters global  
lexicon at United Nations



1970's

# Evolution of Sustainability

Environmental Awareness  
& regulatory action

Sustainability enters global  
lexicon at United Nations

Superfund act requires  
cleanup of toxic sites

Unfair labor issues – Nike  
Valdez oil spill - Exxon

Antarctic ozone hold leads to  
global ban of CFCs

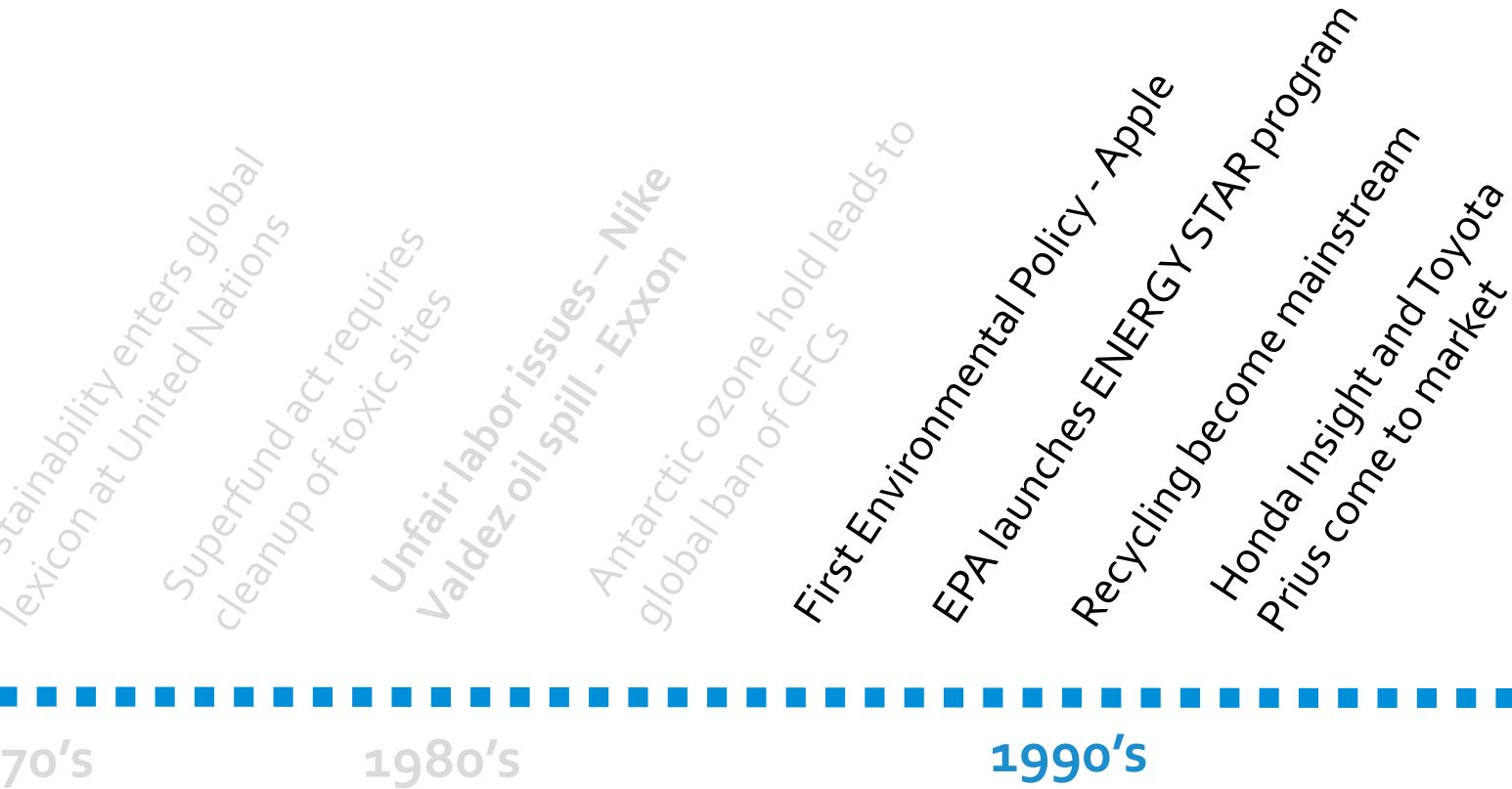
1970's

1980's





# Evolution of Sustainability



# Evolution of Sustainability

Montreal Protocol leads to CFCs

1990's

First Environmental Policy - Apple

EPA launches ENERGY STAR program

Recycling become mainstream

Honda Insight and Toyota Prius come to market

2000's

Animal rights activism

Conflict-free minerals

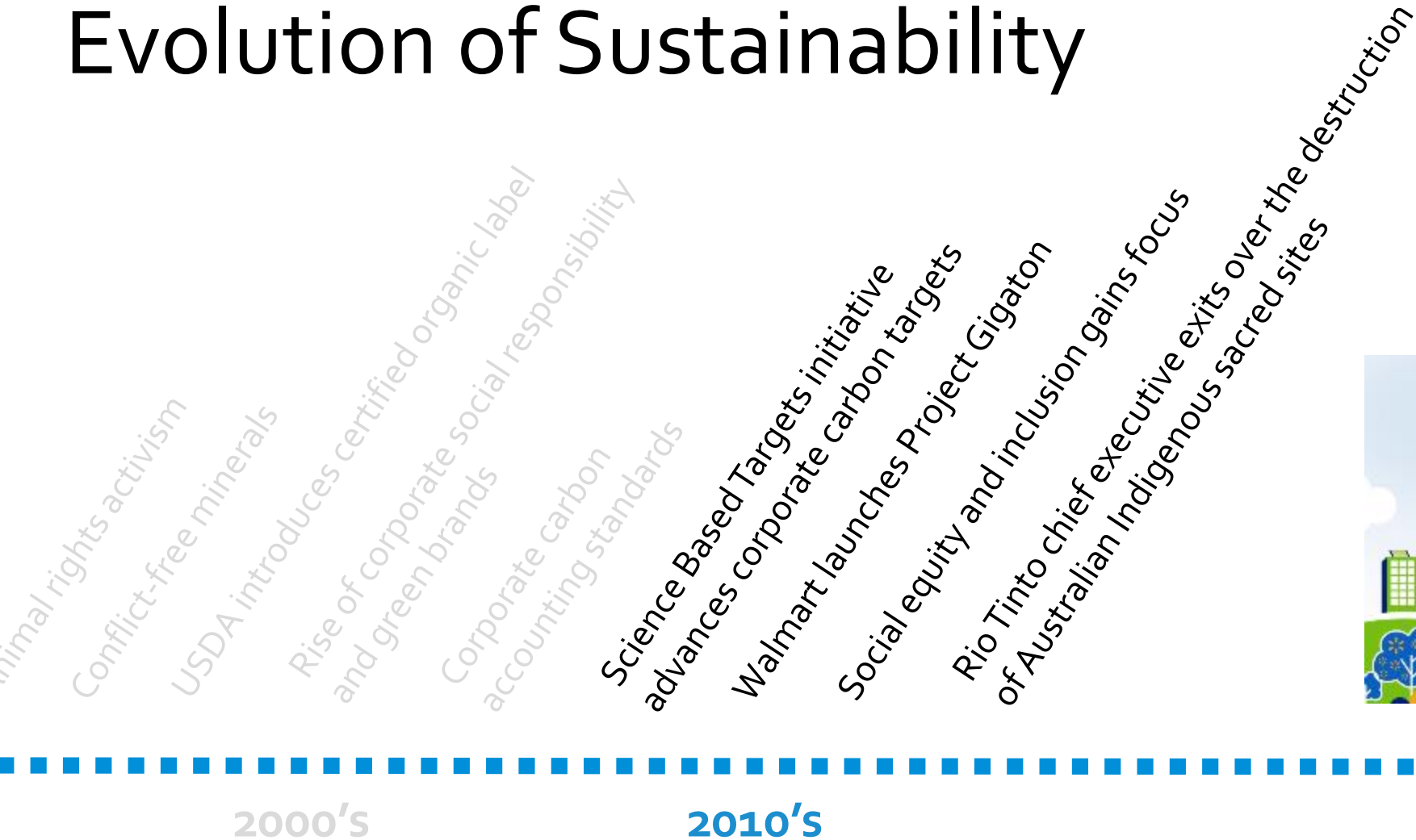
USDA introduces certified organic label

Rise of corporate social responsibility and green brands

Corporate carbon accounting standards



# Evolution of Sustainability



SCIENCE  
BASED  
TARGETS





What began as  
environmental  
stewardship...

## PLANET

Energy Use  
Energy Balance  
Water Use  
Fuel Use  
Air Emissions/Impacts  
Waste Management  
Environmental Compliance  
Environmental Management  
Systems  
Natural Resource  
Management



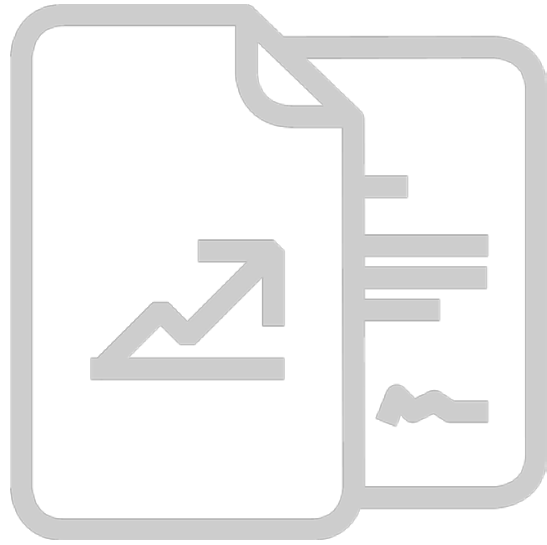


...expanded to  
include social  
responsibility...



## PEOPLE

- Workplace Safety
- Employee Health and Wellness
- Workplace Inclusion, Diversity & Equity
- Diversity in Leadership
- Training & Career Development
- Fair Pay & Benefits
- Labor Relations
- Community Development
- Volunteerism



...and is now  
shaping business  
governance  
& B2B  
relationships



**PEOPLE**

**PROSPERITY**

- Productivity/Efficiency
- Product & Market Development
- Energy Efficiency
- Waste Reduction
- Employee
- Recruitment/Retention
- Procurement (Supply Chain)
- Insurance/Risk
- Social License to Operate

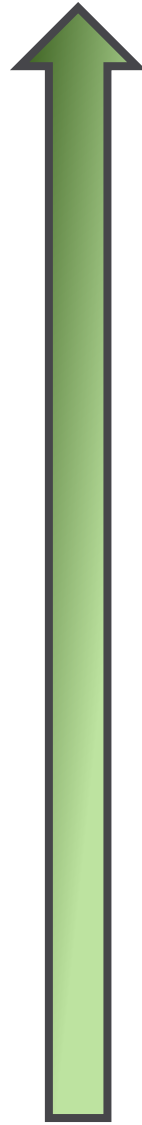
**PLANET**

But there is no  
universal approach  
to sustainability



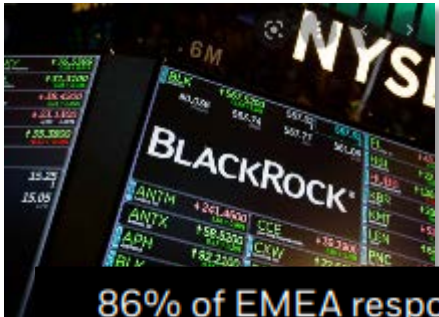
- Transformative
- Regenerative concepts
- Moving the industry
- Zero carbon
- Broad measurable goals
- Metrics & transparency
- Qualitative storytelling
- Just the basics

But there is no  
universal approach  
to sustainability





Investors are influencing change in business as usual.

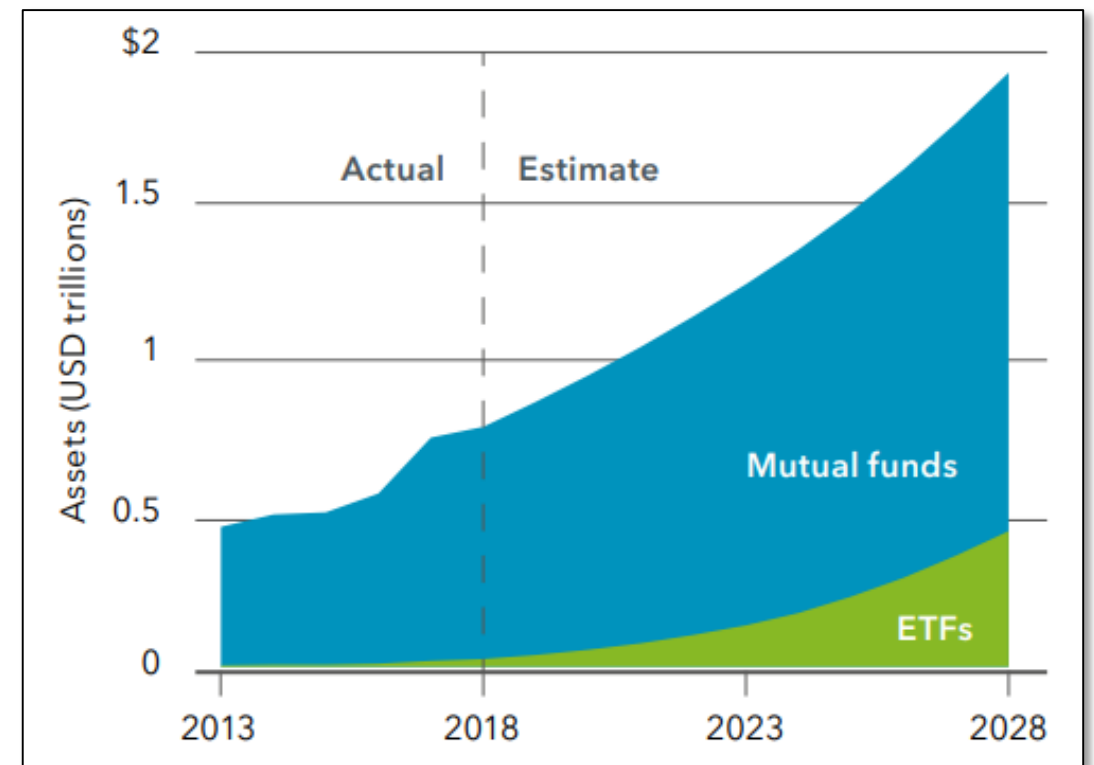


86% of EMEA respondents have stated that sustainable investing is already – or will become – central to their investment strategies. 57% of respondents in APAC and 47% of respondents in the Americas share this view.

Blackrock: ~\$25T in capital investments

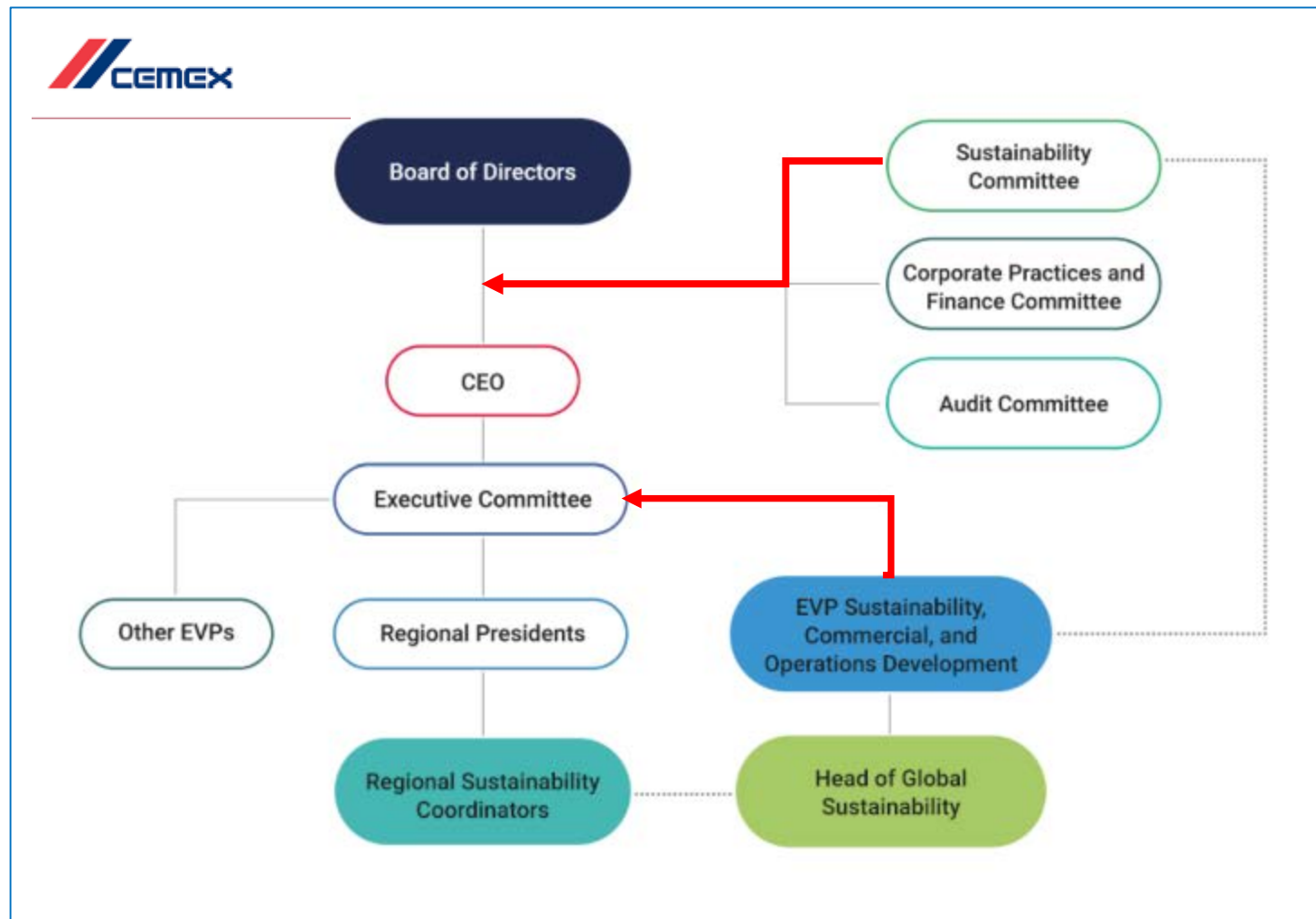
**\$760bn**

invested in European and US sustainable ETFs and mutual funds.



[bii-sustainability-future-investing-jan-2019.pdf \(blackrock.com\)](https://www.blackrock.com/uk/sustainability/insights/bii-sustainability-future-investing-jan-2019.pdf)

# Sustainability and Corporate Governance



# A new era in B2B expectations

QUESTIONS

PG&E's corporate level commitment to being an environmental leader and champion of social responsibility is environmental conservation and enhancement, and in our sustainable business practices. Presently, about 25% represented by contractors and suppliers undertaking work for or on behalf of the company. PG&E therefore to PG&E is able to help uphold and maintain our leadership in these areas, and can demonstrate that all aspects of PG&E are carried out in an environmentally and socially responsible manner.

The purpose of the questions below is to help PG&E to assess how your organization manages sustainability elements. Response options for each question are provided to the right of the question.

**NOTE:** Please note that, should you have a Statement of Record against which you are responding to these questions, you should indicate the location of the Statement of Record against which you are responding.

**A. SUSTAINABILITY SCOPE**  
Please select which topics are most relevant to your organization's sustainability efforts.

**B. CORPORATE INFORMATION**  
Please select one option for each question, so, for each question, you can indicate if you have progressed through or integrated the question into your business operations.

**1.0**  
Company Governance & Operations

**1**  
Management engagement & commitment

A = Management is not engaged in sustainability  
B = Management is engaged on an ad-hoc basis  
C = Management visibly demonstrates commitment  
D = Top management reviews sustainability performance  
E = Top management sponsors sustainability initiatives

**2.0**  
Roles, responsibilities and accountability

A = There are no sustainability roles/responsibilities  
B = Sustainability roles/responsibilities are clearly defined  
C = A sustainability point person is designated  
D = Accountability and job-specific responsibilities are clearly defined  
E = Accountability for sustainability is clearly defined

**3.0**  
Policy

A = There is no sustainability policy  
B = There is a general policy with sustainability requirements  
C = A written sustainability policy is in place  
D = The policy addresses sustainability requirements for products or services  
E = There is a policy level commitment to sustainability

**4.0**  
Assessment

A = There is no assessment of sustainability  
B = The topic scope is dictated by regulatory requirements  
C = The topic scope is dictated by customer requirements  
D = The topic scope is dictated by internal business objectives  
E = The topic scope is dictated by a combination of the above

**5.0**  
Topic scope

A = There is no assessment of sustainability  
B = The topic scope is dictated by regulatory requirements  
C = The topic scope is dictated by customer requirements  
D = The topic scope is dictated by internal business objectives  
E = The topic scope is dictated by a combination of the above

**6.0**  
Energy consumption at your organization

**7.0**  
Greenhouse Gas (GHG) emissions at your organization

**8.0**  
Water usage at your organization

**9.0**  
Non-hazardous waste generation and recycling at your organization

**10.0**  
Do you incorporate any recycled materials, particularly from post-consumer sources, in your production or manufacturing processes?

**11.0**  
If yes, explain.

**12.0**  
Supporting the communities in which your company operates

**13.0**  
Energy consumption at your organization

**14.0**  
Does your organization have a formally established Environmental Management System (EMS) in place?

Environmental Management System (EMS) in place

Commercial-DBE Construction & Quality Safety Environmental

Ask of Competency Ask SOG Safety Manual Conflict of Interest Ethics Info General Info Health & Safety Performance Sub-Inv Comp Technical

Teichert Submitted:

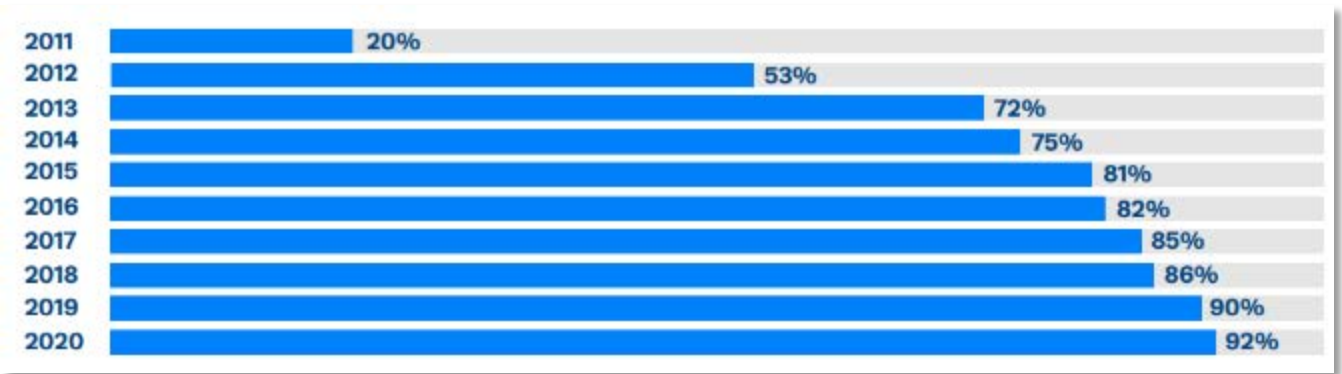
**ENVIRONMENTAL**

QUESTION	RESPONSE
1 What added resources do you put into place to ensure your activities are in compliance with environmental/biological/cultural requirements in sensitive areas?	
2 Do you have any in-house environmental resources? If so, what are their titles and scope of responsibility? Please provide their biographies.	
3 Do you maintain a database for environmental delinquencies? How do you utilize that data to correct for these delinquencies?	
4 Please describe your experience in working with Federal, California, and Local Regulatory Agencies. Please identify the agency, type of experience and frequency of contact. The State's list should include but not be limited to the following agencies as appropriate: U.S. Fish and Wildlife Service, U.S. Forest Service, Federal Energy Regulatory Commission, U.S. Army Corps of Engineers, California Department of Water Resources, State Division of Safety of Dams, State Water Resources Control Board, Regional Water Quality Control Boards, State Historic Preservation Office, California Public Utility Commission, California Department of Fish and Game, California Cities & Counties, etc.	
5 Please describe who will be performing environmental monitoring on a project? Who you have hired for environmental monitoring, what specific functions do you think that we are talking about? Do you have any experience working with a cultural monitor?	
6 Describe how you will perform SWPPP and erosion control in the area of construction disturbance. What SWPPP and erosion control have you performed for access roads?	
7 Describe your company's environmental training program. If you will need to assign your workforce to start a project, how will you ensure these individuals understand SDGSE's environmental requirements and are familiar with your own environmental requirements? What specialized training do you envision that you will need to provide your crews to work in the Orange County / San Diego County geographic area?	
8 Please describe your experience working in environmentally sensitive areas. Include information about your experience working in areas with sensitive biological and/or cultural resources or sensitive areas under the jurisdiction of other agencies (such as National Forests or the Bureau of Land Management). What California construction environmental monitoring experience do you have? Do you have any experience working with a HCP / NCCP?	
9 Describe your experience working on projects with construction monitors for biological, cultural and paleontological resources and your track record for environmental compliance and any Notices of Violation.	
10 Explain your previous experience, if any, in having an Environmental Compliance Coordinator on your team. What is your approach to ensure overall environmental compliance?	
11 Describe your experience and approach to implementing SWPPP and Best Management Practices (BMPs) for construction disturbances. What experience do you have subcontracting SWPPP and BMPs to a specific contractor for the associated work?	

# Transparency is paramount

92%

of the S&P 500<sup>®</sup> published Sustainability Reports in 2020



[2021 Sustainability Reporting In Focus \(ga-institute.com\)](https://www.ga-institute.com)



# Reporting: Transparency is paramount



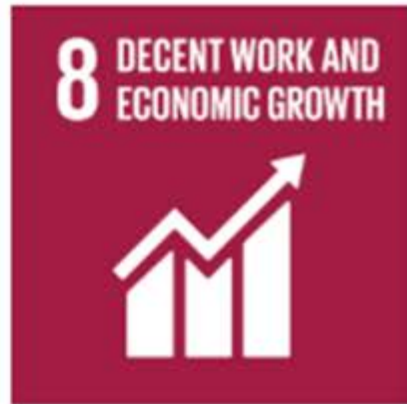
# UN Sustainable Development Goals

Provides a **shared blueprint for peace and prosperity** for people and the planet, now and into the future.

- 17 Sustainable Development Goals (SDGs) adopted by all United Nations Member States in 2015.
- Provides connection to worldwide 2030 sustainable development agenda.

**Establishing Reporting Standards**

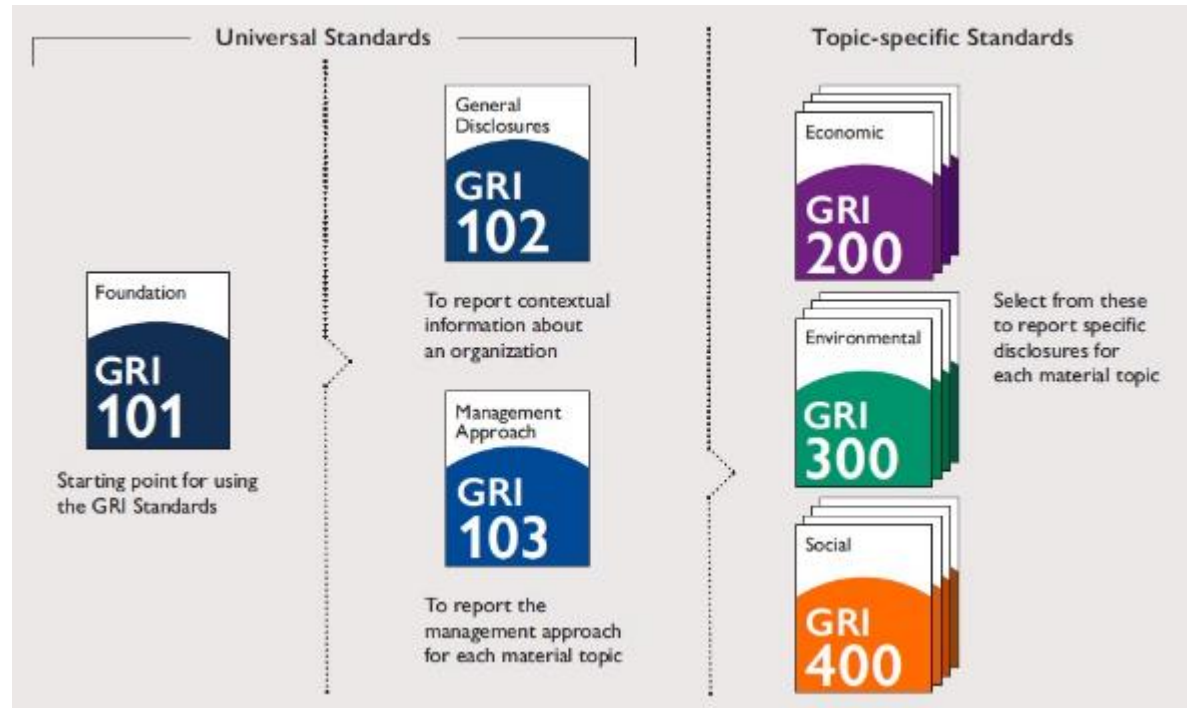
# UN Sustainable Development Goals





# Global Reporting Initiative

Represents **global best practice for reporting publicly** on a range of economic, environmental and social impacts.



**Universal Standards** and a suite of **topic-specific GRI Standards** identify qualitative disclosures and performance indicators.

## Establishing Reporting Standards



# Examples of Sustainability Themes



**Business Ethics**



**Job Satisfaction**



**Air Quality**



**Climate Change Impacts**



**Employee Health & Safety**



**Environmental Leadership**



**Community Vitality**



**Labor Relations**



**Energy Management**



**Cyber & Physical Security**



**Skilled Workforce Availability**



**Greenhouse Gas Emissions**



**Product Design & Lifecycle Management**



**Workforce Diversity, Inclusion, & Equal Opportunity**



**Land Reclamation, Habitat Restoration & Ecological Impacts**



**Product Quality & Safety**



**Waste & Hazardous Materials**



**Supply Chain**



**Water and Wastewater**

# Sustainability Themes (Definitions)



## Business Ethics

Managing risks and opportunities surrounding ethical conduct



## Climate Change Impacts

Risks and opportunities associated with direct exposure of assets, operations and business lines physical, market, and regulatory climate change impacts



## Community Vitality

Efforts to improve the viability of the communities where we live and work



## Cyber & Physical Security

Vulnerability of a company's facilities, systems and infrastructure with respect to digital and physical threats

# Sustainability Themes (Definitions)



**Product Design & Lifecycle Management**  
Lifecycle impacts of products and services



**Product Quality and Safety**  
Design and management of products and/or services that do not pose health or safety risks to the end user



**Supply Chain**  
Activities and practices of suppliers

# Sustainability Themes Definitions



**Job Satisfaction**  
Level of engagement and motivation of employees with their work



**Labor Relations**  
Company relations with unions and non-union workforce



**Employee Health & Safety**  
Create and maintain a safe and healthy workplace environment



**Skilled Workforce Availability**  
Hiring and retention of appropriately skilled and educated workers



**Workforce Diversity, Inclusion, & Equal Opportunity**  
Workforce diversity, inclusion, and equal opportunities for all employees

# Sustainability Themes (Definitions)



## Land Reclamation, Habitat Restoration, and Ecological Impacts

Protection and restoration of habitats; biodiversity and ecosystem impacts



## Waste & Hazardous Materials Management

Management of waste materials and byproducts generated from operations

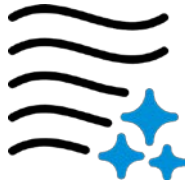


## Water & Wastewater Management

Water use, consumption, and wastewater generation



# Sustainability Themes (Definitions)



## Air Quality

Air quality impacts resulting from company operations



## Environmental Leadership

Management strategies to establishing accountability for environmental performance



## Energy Management

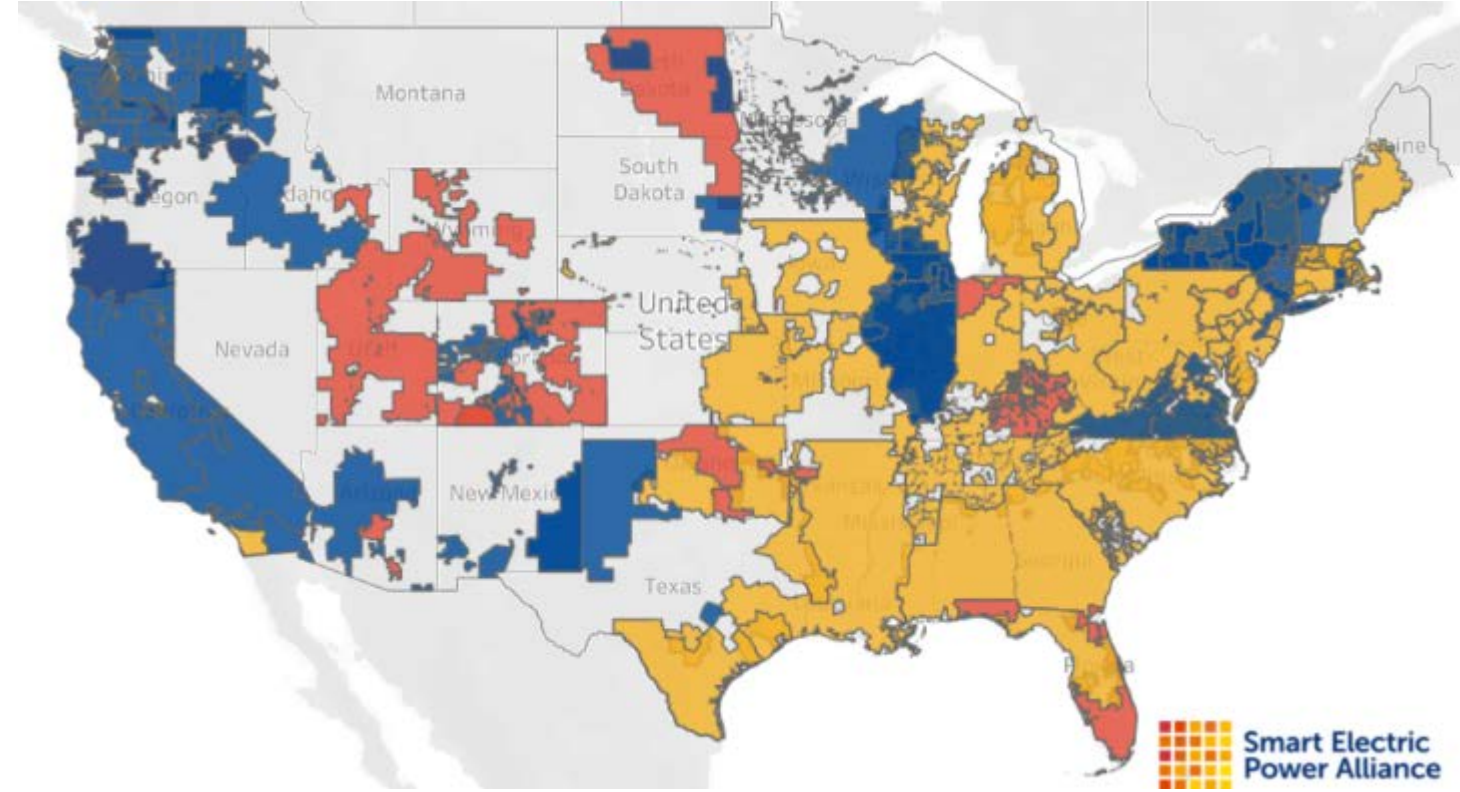
Energy consumption and management, including efficiency and generation sources of energy used



## Greenhouse Gas Emissions

Direct and indirect greenhouse gas (carbon) emissions resulting from company operations

# Climate action takes center stage



81%



of U.S. customer accounts are served by an individual utility with a **carbon-reduction target**, or a utility owned by a parent company with a carbon-reduction target

69%

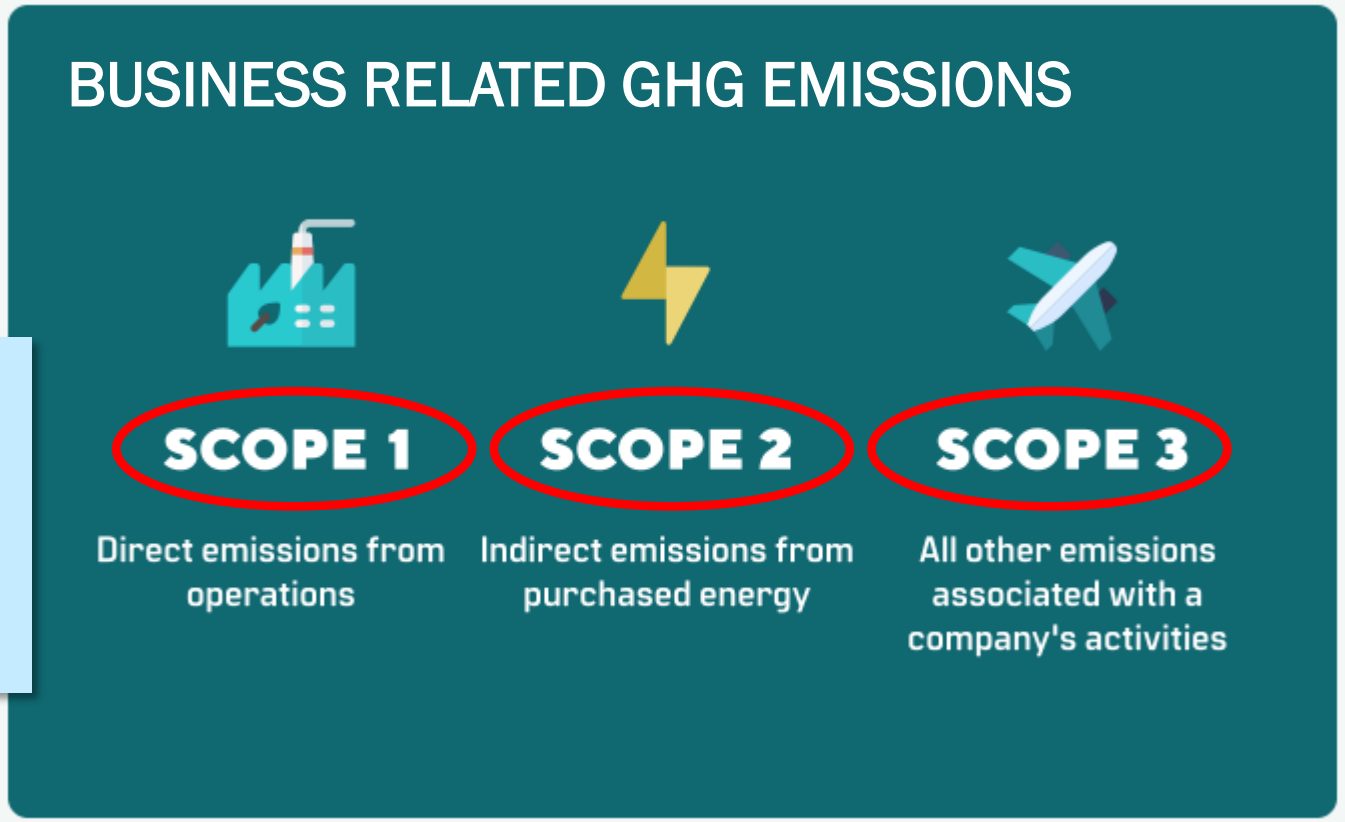


of U.S. customer accounts are served by an individual utility with a **100% carbon-reduction target**, or a utility owned by a parent company with a 100% carbon-reduction target.

Most business related GHG emissions lie upstream and/or downstream of their core operations.

# Climate action takes center stage

To tackle GHG emissions, business must address GHG emissions from inside AND outside of their organization.





# Supply chain initiatives expand the reach of sustainability

APS

Bonneville Power

Con Edison

Dominion Energy

Duke Energy

DTE Energy

Eversource

Exelon

FirstEnergy

New York Power

OGE Energy

Pacific Gas & Electric

Portland General

Salt River Project

**SDGE**

**SMUD**

**SoCal Edison**

UNS Energy





# Supply chain initiatives expand the reach of sustainability

## Mission

The Alliance activities aim to improve the sustainability of the products and services utilities buy and use, as well as the performance of suppliers and supply chain operations.

## Supplier Performance

Annual assessment of top suppliers from all member utilities to gauge performance on key sustainability performance indicator. A single survey is distributed to all suppliers and results are tracked over time to provide performance trends and benchmark data for the individual Alliance members.



# Supply chain initiatives expand the reach of sustainability



Baseline: Supply chain sustainability

**80%**

of our solicitations and proposals will include sustainability information by 2020





## PG&E Supplier Environmental Management Standards

All top suppliers to PG&E are expected to meet these environmental management standards. Performance to these standards will be tracked through the annual Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA) Sustainability Survey and will be evaluated through regular supplier scorecard reviews.

Supply Chain Sustainability	2019 Result	2020 Goal
Supplier Environmental Performance Standards <sup>4</sup>	62%	75%

4. Represents the percentage of top-tier suppliers that achieve a score of three or higher on a five-point scale relative to key elements of PG&E's Supplier Environmental Performance Standards. Scoring is based on suppliers' responses to an annual survey conducted by the Electric Utility

increased requirements for suppliers to provide greater specificity on s to educate suppliers on setting and reporting environmental

## OUR SUPPLY CHAIN

Reducing our environmental impact goes beyond our operations. To build a clean energy future, we find new ways to partner with our suppliers, increase supply chain resiliency and reduce our environmental footprint together.



- Continuing to target 50% diverse supplier participation with our contracting opportunities, in partnership with Supply Management and others

Let's hear now from those managing  
Corporate Sustainability  
within our region...

